

MEMORANDUM

THE WHITE HOUSE
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INFORMATION

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MEMORANDUM FOR DR. KISSINGER

FROM: Harold H. Saunders *HS*

SUBJECT: Partial Israeli Withdrawal and Reopening the Suez Canal *HK*

Israel's proposal on the Suez Canal is now overdue almost two weeks beyond what Eban projected. Delay may simply result from the fact that the Israeli Labor Party convention preoccupied policy-makers during this period. It may also be due to substantive debate. Reports from Jerusalem suggest that we may expect something later this week. Whether it will be a negotiable position remains a question.

Meanwhile, the diplomatic situation drifts. If we do not get the Israeli response on the Canal in the next few days, I believe you would be justified in calling Ambassador Rabin. If it comes and is not a negotiable proposition, I think we would be in a better position to argue over that than over final borders. If we consider it desirable to maintain some movement, we should try to do it soon. Otherwise, we will find ourselves facing some new Soviet military move which will freeze the situation again.

Without wanting to be in the position of "crying wolf," I must say that I do not see how Sadat can stand still very much longer. The UAR is in a good position internationally and may well feel it must soon take the next step -- UN Security Council or Special General Assembly -- in making the record of having done all in its power for a political solution. Beyond that, Sadat may judge that returning to some sort of military action is his only recourse. The Soviet airlift seems to reinforce the notion that this is on Sadat's mind.

UAR Position

As you know, President Sadat recently reiterated his position on partial withdrawal to the head of our Interests Section in Cairo and in a public statement. Sadat has made the following major points:

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--Partial Israeli withdrawal "is not a separate solution or a partial solution" but is "organically linked" with a "full solution" based on withdrawal from "all Arab Territories."

--As soon as partial withdrawal -- "the first phase of full withdrawal" -- begins, the UAR would be ready to begin clearing the canal.

--With this as a beginning, the UAR would also agree to extend the cease-fire for a "definite period" (privately he has told us six months) during which Ambassador Jarring would be able to "draw up a timetable" for implementing the 1967 Security Council Resolution.

--UAR armed forces would cross the canal to "assume their national duties", although the UAR would be ready to accept practical arrangements "to separate the fighting forces" during the cease-fire period. Should the cease-fire period end "without tangible progress" the UAR forces would have the "right to reserve freedom of action."

--The UAR "completely rejects" any discussion of demilitarizing Sinai but is prepared to accept demilitarized zones on both sides of the borders.

--The UAR cannot "tolerate" any discussions about an Israeli "lease" or "presence" at Sharm al-Sheikh. (Privately Sadat has called these ideas "disgusting" and if pushed much for them had said he would break off discussion.)

--In our private dialogue with Sadat, he has said he would immediately restore diplomatic relations with the U. S. if an arrangement could be worked out on the canal since he believes only the U. S. can assist the parties to reach a just lasting settlement.

Israeli Position

The Israelis have reacted rather strongly to Sadat's recent public statement on withdrawal. The most authoritative public comments have been made by Mrs. Meir who during a "policy speech" at the Labor Party convention on April 4 said:

--If President Sadat's plan for opening the Suez Canal is an official proposal, "it clearly cannot constitute a basis for agreement with Israel!"

--Anyone proposing Israeli agreement to the opening of the canal "as a lever for total withdrawal certainly will not be surprised at the complete rejection of his proposal."

--Actually Sadat's plan is "a ploy to mobilize public opinion to exert pressure on Israel."

Mrs. Meir's statement could well be more than simply a hardline statement to the party faithful. As you know, the Israelis have been considering a partial withdrawal proposal of their own which was originally drawn up by the military but has apparently been under consideration at the political level for some days. The military's plan, as we understand it, would essentially be a multiple phased withdrawal from Sinai over an indefinite period with the UAR taking over administrative responsibility but not moving troops across the canal. But then the week before last a high foreign office official said that any canal arrangement (1) must not be an "interim" step in any longer range settlement, (2) must be an ad hoc arrangement not connected in any way with the Security Council resolution and (3) include UAR agreement that there will not be any more fighting. This is not, of course, the final word, but it does reflect the type of debate going on in Israel.

The Issue

It appears from the exchanges so far on this question in Cairo and Jerusalem that the central issue is the degree of linkage to a broader settlement:

--The only reason I can see that Sadat has any interest in the Canal proposal at all is his political need to show some movement toward a settlement. Whether he holds out for a formal Israeli commitment to total withdrawal or is willing to allow some ambiguity on that point will be a measure of how badly he wants to show movement. In any case, it would seem to me that the Israelis will have to give him at least a show of movement for there to be any possibility of a deal at all.

--It is easy to understand why the Israelis want to avoid any linkage to further withdrawal. The question on the Israeli side is whether they are willing to concede some appearance of linkage provided it does not compromise their substantive position. Some analysts in recent days sense a hardening of the Israeli position, almost to the point where they seem to feel that another war will be necessary to achieve what they want and to be willing to get it over as quickly as possible.

The question facing the US -- especially in light of the new Soviet military airlift to the UAR -- is whether allowing the Israelis to hold out on this issue could produce a new level of Soviet retrenchment in the UAR that in the end will make Israel's (and our) negotiating position that much harder.

It is better to deal with the Israeli proposal -- if one is forthcoming -- in concrete terms rather than to speculate on it. However, I feel we should brace ourselves to argue hard, if necessary, for a negotiable proposal. An "interim" arrangement on the Canal -- if it can be "interim" enough for the Israelis and not to "interim" for the UAR -- still offers the best hope for buying time. And an arrangement is conceivable which need not undercut Israel's position.